

Opening Remarks
Honorable Maxine Waters

Subcommittee on Housing and Community
Opportunity

H.R. 5039, Saving America's Rural Housing Act of
2005

Tuesday, May 23, 2006

Good morning ladies and gentlemen. I want to thank Chairman Ney, and the staff for diligent efforts related to the legislation we will consider this morning. I also want to thank the other Members who sponsored this bill. As you know, as one of the sponsors of the Voucher Reform bill, we have deliberated on some very tough issues related to the voucher program, and rural housing programs for the past several years. I understand that we will address the Housing Voucher program sometime after recess. Today, we are considering H.R. 5039, Saving America's Rural Housing Act of 2006, which represents necessary reforms to the Section 515 program, Rural Rental

Housing program. Of course, when we consider legislation of this complexity, everyone is not going to be happy with the outcome. However, this bill has been developed to build consensus around a program that is critical to the nation's rural poor, working families with children, and the elderly and disabled.

H.R. 5039 has the strong support of many national organizations, and we considered testimony on the bill in late April that established a need for the reforms. As you know, H.R.5039 is designed to achieve two objectives:

(1) the bill establishes a revitalization mechanism to deal with financially troubled Section 515 projects and to modernize these properties to remain affordable; and

(2) the bill allows owners of these projects financed before December 15, 1989 to repay their loans and creates a new voucher program to assist displaced tenants

The bill recognizes that there have been fundamental changes in the demographic patterns of Americans, with more and more rural areas becoming increasingly suburban. It also recognizes that some areas are rural with declining populations. In my view, one of the most important aspects of this reform legislation is that it targets housing benefits to those most in need. The bill sets the rents at a 30 percent income limit.

I believe that the Rural Housing proposal represents a major step to giving the poor, working families with children and the elderly and disabled the opportunity to have decent, safe and affordable rental housing in the rural areas of this country. Of course, we would all like to fund a Rural Housing program that could provide housing for everyone who needed housing, but we can not. While some people will ultimately transition to other housing opportunities such as their first home, or might take another shot at owning a

home, we need to restore faith in the rural communities that we care about their housing needs. Public policy related to the rental housing stock in rural communities, as well as non-rural communities across this country is extremely important. I trust that you will join me and my Colleagues who sponsored this legislation to ensure that these goals of the addressing housing needs of rural communities are met. Thank you. Mr. Chairman.